

Baker & McKenzie LLP
1114 Avenue of the Americas
New York, New York 10036, USA

Tel: +1 212 626 4100
Fax: +1 212 310 1600
www.bakernet.com

MEMO ENDORSED

August 16, 2007

Robert P. Lewis
Tel: +1 212 891 3532
Fax: +1 212 310 1632
Robert.P.Lewis@bakernet.com

VIA FACSIMILE

The Honorable Stephen C. Robinson
United States District Court
For the Southern District of New York
300 Quarropas Street
White Plains, N.Y. 10601

Re: Kehoe, et al. v. Panorama Labs Pty, Ltd., et al.
No. 07 Civ. 3168 (SCR) (S.D.N.Y.)

Dear Judge Robinson:

We represent, among others, defendant Panorama Labs Pty Ltd. ("Panorama"). We write to inform the Court that, on July 31, 2007, Panorama's Board of Directors resolved to appoint an Administrator pursuant to Australian law because Panorama is insolvent and that, in accordance therewith, any Administrator has been duly appointed to oversee Panorama's affairs, including resolving claims of Panorama's creditors. We enclose a copy of the Administrator's undertaking. This action is the Australian equivalent to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code.

Under Australian law, all proceedings commenced in at least Australia against Panorama are automatically stayed. While Panorama believes that strong grounds exist to authorize this Court to stay the instant lawsuit, we also believe that, if Panorama is required to take additional steps to obtain an Order from the Court staying this action, causing Panorama to take those steps may be premature and surely would result in dissipation of Panorama's limited assets. The reason why we believe such a step may be premature is that the parties, through their respective counsel, have engaged in settlement discussions. Although those discussions have not yet resulted in a mutually acceptable resolution of this action, we believe that, with the Court's assistance, the parties may be able to obtain that goal.

Accordingly, on behalf of Panorama, we respectfully request that the Court schedule a conference amongst all parties to discuss settlement pursuant to Your Honor's Individual Practice Rule 4, or, if appropriate, to refer this matter to a Magistrate

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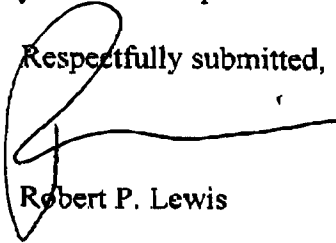
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Judge for settlement purposes. We also request that, in light of the above, the Court suspend the current motion briefing schedule pending such settlement efforts.

Counsel for plaintiffs and counsel for defendants ST Synergy Ltd. and John Athans join in this request.

Respectfully submitted,



Robert P. Lewis

cc: Richard M. Mahon, II, Esq.
Jason Minard, Esq.
(Fax: 845-565-1999)
Counsel for Plaintiffs

Arthur H. Ruegger, Esq.
(Fax: 212.768.6800)
Counsel for Defendants ST Synergy Ltd. and John Athans

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Current briefing schedule is suspended
pending proposed settlement conference.
The parties shall confer and submit
a new proposed briefing schedule should
settlement talks be ~~un~~ unsuccessful.

APPLICATION GRANTED
Stephen C. Robinson

HON. STEPHEN C. ROBINSON

8/20/07

The Honorable Stephen C. Robinson
August 16, 2007